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July 28, 2005

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**VIA FACSIMILE**  
**VIA OVERNIGHT MAIL**  
Jeff Jordan  
Office of General Counsel  
Federal Election Commission  
999 E Street, NW  
Washington, DC 20463

Re: MUR 5669

Dear Mr. Jordan:

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

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In response to your letter, received July 15, 2005, this constitutes the response of Dawn Perkerson, Treasurer (hereinafter "Perkerson"), and Frist 2000, Inc. Complainant Citizens for Responsibility and Ethics in Washington ("CREW") alleges that Frist 2000 failed to properly report a loan on its disclosure reports. As outlined below, CREW's allegations are factually incorrect and do not indicate any violation of statute or Commission regulations.

Facts

In November of 2000, Bill Frist for Senate (hereinafter "BFS"), the principal campaign committee from Senator Frist's 1994 United States Senate campaign, obtained a loan from Sun Trust Bank for \$1,440,000. The proceeds of this loan were used to repay outstanding primary and general election debts from the 1994 campaign. At the bank's request, Frist 2000, Inc.,<sup>1</sup> the Senator's principal campaign account for the 2000 election cycle was added as a co-signer of the loan. At all times, Frist 2000 understood that their liability was secondary to that of BFS, and would only be realized should BFS default on its obligation.

BFS properly reported the full outstanding liability to Sun Trust for \$1,440,000 on all reports following completion of the loan transaction. As Frist 2000 was only a co-signer of the note, and had no primary liability, Frist 2000 did not report the loan on its reports filed with the Commission at this time.

In June of 2001, Frist 2000, Inc. assumed all assets and liabilities previously held by BFS. From this point until the loan was paid in full, Frist 2000 properly reported the Sun Trust loan on all reports filled with the Commission.

<sup>1</sup> Complainant CREW incorrectly names respondent as "Frist 20000" at certain points within its complaint. Respondent assumes that CREW intended to refer to Frist 2000, Inc.

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### Legal Analysis

Complainant CREW argues that Frist 2000's failure to report the loan beginning in November of 2000 constitutes a knowing and willful scheme to conceal the Sun Trust loan.<sup>2</sup> CREW concedes that BFS properly reported the Sun Trust loan from the time it originated until BFS's assets and liabilities were assumed by Frist 2000, Inc. CREW fails to note that Frist 2000 also fully disclosed the Sun Trust loan once it assumed all assets and obligations of BFS and therefore became the primary debtor. The fact that Frist 2000 immediately reported the Sun Trust loan as a liability once it assumed the assets and liabilities of BFS completely negates all of CREW's allegations. At all times, the Sun Trust loan was properly reported by both BFS and Frist 2000.

Applying CREW's logic, both BFS and Frist 2000 should have reported a liability of \$1,440,000 – therefore incorrectly disclosing a total outstanding obligation of \$2,880,000 between BFS and Frist 2000. As the Frist 2000 committee had only secondary liability as a co-signer of the loan for BFS, it was not obligated to report the debt while it was being fully disclosed by BFS. At all times that Frist 2000 was the primary debtor of the Sun Trust loan, it properly reported the liability.

### Conclusion

As CREW's complaint fails to state either a factual or legal justification for their complaint, we respectfully request that the complaint be dismissed.

Sincerely,



Jill Holtzman Vogel  
Counsel

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<sup>2</sup> See <http://www.citizensforethics.org/activities/campaign.php?view=68>.